



# Australian Bureau of Statistics

## 1301.6 - Tasmanian Year Book, 1996

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 13/09/2002

### Feature Article - Commerce in the early 90s

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#### RELATIVE IMPORTANCE

On the latest figures (1992-93), commerce contributes 21.2% to Tasmania's Gross State Product at Factor Cost (GSPFC), in terms of current prices. Wholesale and retail trade contributes 15.3% and finance, property and business services 6.0%.

In terms of contribution to current-price GSPFC, wholesale and retail trade is the State's third most important broad ASIC subdivision (industry). Only the subdivisions for public administration, defence and community services (10.2% of GSPFC) and manufacturing (15.9% of GSPFC) are more important.

The finance, property and business services subdivision is at the other end of the scale. The only ASIC subdivisions with a smaller GSPFC contribution are mining (1.8%), recreation, personal and other services (5.0%), electricity, gas and water (5.6%), agriculture (5.7%) and general government (3.1%).

Wholesale and retail trade plays much the same role in the Tasmanian economy as it does in the Australian economy as a whole. In 1992-93 wholesale and retail trade contributed 13.7% to Australia's current-price GDPFC, compared with 15.3% for Tasmania.

The position of finance, property and business services is quite different. In 1992-93 finance contributed 10.2% to Australia's GDPFC. The Tasmanian figure was only 5.9%. Therefore, in terms of GDPFC, finance is over 70% more important to the Australian economy than it is to the Tasmanian economy.

#### GROWTH SINCE 1980

The best measure of growth in Tasmania's commerce sector is the average annual percentage increase in the contribution made by wholesale and retail trade and by finance, property and business services, to the State's constant-price GSP. Unfortunately this measure cannot be calculated exactly because there is no official break-up of constant-price GSP by industry. An estimate can be derived, however, in the following way.

The share of wholesale and retail trade in current-price GSPFC (Gross State Product at Factor Cost) can be calculated for each of the years 1980-81 to 1992-93 from official statistics. If this share is applied year-by-year to the known value of constant-price GSP (on the assumption that the share of wholesale and retail trade in constant-price GSP is the same as its share in current-price GSPFC) an annual series, running from 1980-81 to 1992-93, can be estimated for the contribution to constant-price GSP made by wholesale and retail trade. An annual series for the contribution made by finance, property and business services to constant-price GSP can be

derived in the same way. Once these series are available the required growth-rates can be calculated.

Proceeding in this way the figure of 2.96% per annum is found for the average annual percentage increase from 1980-81 to 1992-93 in the constant-price GSP of wholesale and retail trade. The corresponding figure for finance, property and business services is 4.41% per annum, while for commerce as a whole the figure is 3.34% per annum.

Comparison between these growth rates and employment growth rates over the same period, is of interest. Between May 1980 and May 1994 the annual percentage increase in employment in wholesale and retail trade was 0.89% per annum. The figure for finance, property and business services was 1.46% per annum. The figure for commerce as a whole was 1.03% per annum. Over the same period, aggregate employment increased at the rate of 1.02% per annum. When these employment growth rates are compared with the constant-price GSP growth rates given in the preceding paragraph a significant increase in productivity in the commerce sector over the 14-year period, is suggested.

During the 1980s female employment grew much more rapidly in Tasmania's commerce sector than male employment. The growth rate of female employment over the period May 1980 to May 1994 was 1.3% per annum, compared with 0.8% per annum for males. Wholesale and retail trade recorded a 1.4% per annum increase in female employment over this period while finance, property and business services recorded a 1.1% per annum growth rate. The corresponding figures for male employment in Tasmania were 0.5% per annum and 1.8% per annum, respectively.

Finally, it is interesting to note that, in the 14 years from May 1980 to May 1994, employment in the commerce sector grew much less rapidly in Tasmania than in the nation as a whole. Over these years the growth rate in commerce-sector employment was 1.0% per annum in Tasmania compared with 2.6% per annum Australia-wide. Over the same period, employment in wholesale and retail trade grew at an average rate of 0.9% in Tasmania, compared with Australia's 1.9% per annum. For finance, property and business services the comparison was 1.5% per annum for Tasmania and 4.2% per annum for Australia.

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This page last updated 8 December 2006

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